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PROCEEDINGS OF A CONFERENCE ON THE TEACHING OF ELEMENTARY ECONOMICS¹

THE AIM AND CONTENT OF A COLLEGE COURSE IN ELEMENTARY ECONOMICS

We are confronted with three questions: What should be the aim or aims of a college course in elementary economics? What is the proper content or subject-matter through which to attain these aims? How should this subject-matter be handled? This paper deals with the first two questions.

Both the question of content and that of aim should be approached from the standpoint of the general function of the college, and with the many and perplexing practical difficulties of the teacher of such a course constantly in mind.

We cannot intelligently begin the search for the answer to our problem until we settle upon an aim for college education as a whole. We must here refrain, however, from entering upon the tempting field for discussion offered by this broader question, and content ourselves by positing somewhat dogmatically what seems, under present circumstances and in view of modern

¹ About a year ago three or four instructors in elementary economics considered the question of holding an informal meeting to discuss common problems. At the Atlantic City meeting of the American Economic Association such a meeting was tentatively agreed upon. It soon developed that the interest in such a meeting was very wide. Instructor after instructor expressed his intention to take part in the discussion and the little meeting first planned finally assumed the proportions of a conference, which was held on Friday, October 22, 1909, at the University of Chicago.

American needs, the most necessary and rational fundamental purpose for the college. That, in my opinion, is to develop potential efficiency—efficiency for both vocational and civic, or social, ends. If the difference between efficiency on the one hand, and the older working aims, “character” and “culture,” on the other, be kept in mind, it will clearly have very important influence not only on the nature of the college curriculum as a whole, but also on the proximate aim and content of every course offered in college.

What are the basic elements of efficiency, generally speaking? They are these: (1) physical health; (2) a sensitive but rational and reflective sympathy; (3) alertness, awakesness, ability to *see*; (4) ability and willingness to think, and to think independently; (5) experience, knowledge of the environment in which one has to functionate; (6) adaptability, and (7) resourcefulness. There may be others but it is sufficient for our purposes to mention simply these. Both ability to think and adaptability and resourcefulness depend in large measure on experience, that is, upon the stock of knowledge of concrete facts and relations the mind has at its disposal. If efficiency be the aim of education, then educational forces should seek to develop not only a tough, well-stretched, and elastic brain, but a brain that is well stocked and sensitive to the stimuli of the environment it works in.

In view of this conception of the function of the college what should be the aim of the college course in elementary economics? Should the course aim primarily to train students in scientific criticism, in careful and exact thinking amid mazes of logic, or primarily to introduce the student to the facts and relations, the organization and processes, of the economic world; or should the aim be some combination of these two? In other words should the course be disciplinary, or orientating in value? No doubt whatever exists that, given good teachers, a course in elementary economics can be effectively taught from either of these standpoints. The argument for the disciplinary course is strong. As one of my colleagues is always saying emphatically, “Students must be made to *think*, students must be *made*

to think!" Anyone who has scraped even a passing acquaintance with college sophomores will at once respond with an enthusiastic affirmative to this sentiment. But the question still remains whether this is the *primary* need of the average student who gets into the economics classroom, and whether certain foundations must not be laid before we can expect him to do really effective thinking in our subject. Of course if we decide upon the disciplinary aim as primary, and mean above all to train our elementary students to think accurately and effectively upon economic matters, the main content of the course will be theory. But the argument for a course the main purpose of which is to orientate the student with regard to his or her industrial and commercial environment seems equally strong. No one, of course, will advocate such a purely, and at the same time misleadingly, informational course as might, for instance, be based on one recently published text. And certainly if we are to judge by the college textbooks put out in the last five years, or by what little has been written on the pedagogy of economics, we shall have to conclude that few will see in a purely theoretical course the content which best serves the needs of students in elementary economics, taken by and large. No one, I believe, will dissent from the conclusion that the content of the course must be some combination of theory and concrete information. The question really resolves itself into one of emphasis. Where shall the bulk of time and attention be placed? Those who say "on theory" see clearly the need for stimulation and training in thinking, and the adaptability of economic theory to that purpose. Those who say "upon an introduction of the student to the many significant facts of his economic environment" will hold, as I am inclined to hold, that the need of acquaintance with concrete economic facts is the primary need, that it is putting the cart before the horse to try to train students to think about economic processes and relations before they have acquired, or at least before they are acquiring, this acquaintance. Advocates of the strongly theoretical course make one fundamentally erroneous assumption. They assume that students know vastly more about the economic world than they really do

know. This ignorance on the part of college students is lamentable, but it is one of the conditions, not a theory, which we as teachers have to meet.

I know of no better way of approaching this question of content, especially when it is resolved into one of emphasis, than to ask what we should like to have our students get out of a course in elementary economics, and upon that basis to judge what choice of subject-matter should be made and where the main emphasis should be placed.

In the first place I should like my students to acquire a general knowledge of the organization and processes of the business world sufficient to enable them to read the newspapers—even the financial page—with something approaching intelligent comprehension. I would have them in this same connection gain in breadth of economic horizon—gain the power and willingness to see something outside the economic class to which they happen to belong and the business or industry which by family or other connection they happen to know a little about. Secondly, they should get the beginnings of an intelligent interest in politico-economic questions and policies. Thirdly, they should have their inherited and habitual estimates and prejudices shaken up; should begin to acquire the rudiments of that judicial fairmindedness and critical cautiousness of which we all ought to have more when dealing with practical economic issues. They should gain power in thinking for themselves. The least I could urge in this connection is that the course should give some assurance that they will not too easily in later life have the wool pulled over their eyes by partisan newspapers or by plausible congressional jingoism. And fourthly, students should gain a stimulus to a desire for economic justice throughout society, and a background upon which to view the various large and small schemes of social reform.

By what content now can we most effectively bring about these desirable results? This question of content is not so simple as it looks. It is not simply a question of adopting out of an abundance of material that which in itself is clearly suited to accomplish definite pedagogical purposes. The field of economic

phenomena and of economic knowledge is so vast, that we must pick and choose. And in our picking and choosing we must constantly have regard for the actual conditions and difficulties which confront both teacher and student. We must consider in the first place the character of our students; secondly, some of the external conditions, such as size of classes, number and experience of instructors, etc.; and thirdly, the unsettled condition of economics itself, especially of economic theory.

The prime thing constantly to be kept in mind with regard to students in this subject is their immaturity and inexperience. We must remember that prior to the time that students enter this course, probably on the average as sophomores, they have been engaged largely in secondary-school and freshman studies—language, mathematics, natural science, literature, and history—which, with the exception of history, have done nothing in the way of preparation for this new and complex subject. They have not, as a rule, been readers of newspapers, nor has their experience in the industrial world ordinarily been more than momentary and fragmentary. How much experience can we appeal to, then?

In some of the larger universities and in some colleges, perhaps, instructors can count upon a considerable acquaintance with the everyday facts and concepts of the business and industrial world. But in smaller colleges, especially outside the North Atlantic states, my own experience leads me to believe that students have an astoundingly small economic or industrial apprehensive mass for us to count upon. I find often that such everyday terms as stock, bonds, legal tender, tariff, internal revenue, dividend, par, discount, check, draft, closed shop, corporation, to many students mean nothing more defined and transparent than a fog-bank. One is inclined to hold up one's hand and burst forth in an impatient tirade against such elemental ignorance, yet we should not be surprised at it. What reason or opportunity has the average underclassman, boy or girl, but especially girl, had to discover the use of these terms? There are always a few men in the class who have had enough actual experience to know these things, but the majority of men and

practically all the women have not. And let us not here relegate the women to some light and easy course for "women and freshmen." That would be failing signally in justice to women students, and failing to see that the time has come when women need just as thorough, if not the same, knowledge of economics as do men. With experience and knowledge thus narrowly limited, what interests can we appeal to? With any other than an extraordinarily skilful teacher this is an important question. For if you can conduct the course with the natural interests of your students pushing with you instead of against you, your way will be much easier. I have in the past five years made casual effort to discover the motives and interests which lead students into the elementary economics class. Those who do not get there by accident or imitation, usually say they want the course as a preparation for business or the study of law, or to give them a knowledge of the facts of economic life which everybody should know. One freshman girl this year sought admission to the course because, as she said, she was anxious to become a good conversationalist, and knew that economics would be a good course to that end. Somewhat to my own surprise I admitted her, for was she not the first messenger bearing evidence that economics is about to gain admission to that aristocratic and favored circle—the humanities? But I have never had a student say he elected the course to get mental discipline out of it—to learn to think; and on the other hand when I have emphasized and insisted upon a large amount of theory, I have had to work not only against the unpreparedness of students, but against positive lack of interest.

If experience is thus limited, the case with thinking power and powers of observation and discrimination is little better. That most of our students think only under protest and observe but half-heartedly is of course a powerful argument for prolonged and insistent emphasis on theory. My only point here is that wherever we decide to place the emphasis of our particular course, it should be placed only after careful consideration of the conditions of ignorance and inexperience I have just touched upon.

If the immaturity and inexperience of students make necessary care and discrimination in choosing subject-matter, much more does the existence of two classes of students, with differing needs, complicate our problem. Some students go on to other courses in economics, some do not. These are the two classes. What percentage of students take only such economics as the elementary course affords? In Oberlin, for the past four years, about 45 per cent. have gone on with other courses—53 per cent. of the men and 29 per cent. of the women. More than half the class never get any other economics, and two-thirds of the women are content with one course of three hours a week for a year. It needs no discussion to show that those who expect to go on to advanced or special courses in economics need a far different course from those who do not go on. The university can solve this problem at once, by having a course for each category. But the colleges, pressed as most of them are for adequate teaching staff, cannot well do this. Where a division is not possible, then, the course should be conducted in a manner to serve the needs of the largest number. If the content is made mainly theory, the result is obvious—fully half the students who have studied economics at all get out of college with very inadequate attention to, or knowledge of, the economic environment they are going out into. If a division cannot be made it will serve the larger need to make the course largely informational, or better, orientating, with the necessary minimum of theory. While such a course will not be an ideal preparatory course for those wishing to continue economic studies, it will not harm them. They will have later opportunity and strong incentive to delve into the fascinating mines of theory; but those who leave our classroom for good at the end of this course will never have another opportunity to be introduced to the realm of economic phenomena by someone who has studied the map.

Whether or not we are able to have two elementary courses, and whether or not we attach more importance to the needs of those who do not go on, we still are confronted with difficulties. Suppose we decide to give the sort of course that prepares for further economic study. Then very likely we shall ground our

students in theory. But what theory? Shall it be to emphasize production, or very possibly consumption, or shall most of our time go to valuation and distribution? And suppose we decide upon distribution as the central question of theory. Then what theory of distribution are we to follow? What, for instance, shall we say capital is? Shall we adopt Clark's theory of synchronization? How shall we attack the problem of interest—through rent and the capitalization of rent, as does Fetter, or in some more conventional way? And so on indefinitely. These questions all border on the problem of method, yet they are primarily questions of content. Suppose you are settled in your own mind as to the true theory of interest, say. You give it to your class, and the next book a student takes up may give a theory so different from yours that he, dumfounded, at once begins wondering whether economics is after all anything but philosophical hair-splitting. Or suppose that with academic catholicity you endeavor to initiate your sophomore into the mysteries of all the important theories of interest. It is then a question whether his knowledge of interest more resembles a well-scrambled egg, or a whirling dervish.

On the other hand, suppose you elect to organize your course primarily with the need of those who do not go on in mind. For these students economics is, or should be, primarily, vitally, an environmental, an informational, an orientating, study. These students need a concrete knowledge of the environment they are going out into, and the aim should be to give them as much knowledge and understanding of that environment as can be given in a three-hour, full-year course. (A shorter course than that no instructor of economics should be satisfied to give.) Now I am perfectly aware, and I frequently tell my own students, that a real knowledge and understanding of economic facts and relations cannot be had without a study of economic theory. I am very far from advocating any snap course that relieves the student of the necessity to study hard and to think hard in theory. But I would limit the time spent on theory to the minimum necessary as a guide to an outline survey of the great economic conditions and problems of our

day. This is perhaps roughly between one-third and one-half year. I insist, furthermore, that the kind of theory offered must be different from that which some textbook writers apparently expect to enlighten the student's way, but which, instead, tends to befog every issue he takes up. I have reference to the hair-splitting confusion of some of the pages in two or three of the American texts that have appeared in the past five years.

Students, in Oberlin College at least, come into the class with the desire to get just some such orientating course. They come largely ignorant of economic matters, but with a more or less active, though often very vague, interest in live economic issues. They are always in a hurry to get down to concrete facts and issues, and if theory seems likely to postpone too long, or to crowd out, these more specific studies, they grow restless. Always you have to face the demand for the practical. What students mean by practical varies. Sometimes their meaning expresses the idea that economics ought to make bank clerks out of them; again it shows a desire for a shortcut to a solution of the currency problem or the tariff question; always, however, it reveals the desire of the student to throw himself into the stream of economic life with something of the skill and adaptation of an old-timer there. This no course can do, and it is a question how far we should give way to this demand for the practical. I believe however that that demand represents something healthy, and that we can safely aim to satisfy it in tolerably full measure, if only we guard reasonably against disconnectedness and superficiality by insisting upon a basis of theory. Whether the theory is given first entirely, or to some extent mingled with the year's study of concrete matters, is a question of method; but perhaps I may be permitted in passing to voice my conviction that one of the chief needs of economics at the present time is the construction of some dark and thrilling plot which shall lead the student's interest into the forbidding field of theory without his too clearly understanding that he is there.

I have pointed out that we must consider the needs and character of our students; that most students of elementary

economics are immature, inexperienced, and relatively ignorant of the most common industrial facts and concepts; that the two classes of students, those who go on and those who do not, need different kinds of courses; that ordinarily material limitations, however, forbid the offering of two distinct elementary courses in the same college; and that consequently the one course usually offered should be organized to serve the needs of the greatest number—that is, of those students who will get little or no further work in economics. This means, as I have tried to indicate, that the course, while devoting the necessary time to theory, will pass as quickly as possible to a study of concrete economics.

Now with these circumstances and limitations in mind, and remembering that the present-day American college must above all aim to produce potentially efficient men and women, we may return for a moment to the four things I said a student should get out of the course, namely:

1. Knowledge of economic organization and processes.
2. Intelligent interest in economic questions and policies.
3. Ability to think clearly, independently, and fairmindedly on politico-economic issues.
4. Desire to help secure economic justice.

What should be the specific content of the course in order to accomplish these four ends? Even an outline answer to this question would carry me far beyond my time. I wish merely to suggest a few lines of work which I think the course should contain. There should be a somewhat extended treatment of money, banking, and present American monetary problems, with a background of the history of currency and banking in this country. I suggest in this connection that students ought to know the organization of the United States Treasury, the organization of a typical bank, the relation of banking to speculation, etc. The study of banking should be concrete as well as theoretical. Some such book as Fiske's *Modern Bank* should be read as well as Dunbar's *Theory and History of Banking*. In the treatment of international trade more time should be given to a concrete discussion of the tariff and its

history than is usually given. In the study of transportation the students should get a knowledge not only of the theory of railway-rate making, of the powers and functions of the Interstate Commerce Commission, but also a knowledge of the great railroad systems as they exist today. The theory of monopoly and a study of the rise, organization, and economic influence of the industrial corporations should be placed together, and no students should leave the course without an outline knowledge of the history of two or three great railroad systems and trusts, such as the Standard Oil Company and the United States Steel Corporation. As much time as fairly can should go to business organization in a somewhat more limited sense—the significance of factory organization and cost-keeping systems; methods of marketing; the relation of the manufacturer to the wholesaler and jobber, etc. If the student can in reading acquire a knowledge of productive processes and organization in some one or two industries, so much the better. The labor problem, as one of the most important parts of the economic environment, should receive a large share of attention. More time than I believe is ordinarily given should be given to a study of public revenue, especially taxation, and this study should be made as intimate and concrete as possible. Some study should be made of agricultural economics; of the present extent and nature of irrigation activity in the West; of the nature and object of conservation. In short so far as main content goes, I think a course based on a book of the type of Ely's revised *Outlines* will most nearly meet the needs of the average student. I do not think however that anything is to be gained by prefacing the course with a hurried study of economic history. Economic history should be used through the body of the course as explanatory of the facts and conditions studied, and if more historical matter than this is found desirable it should come near the end of the course. Certainly I think that every student should know, for instance, what the industrial revolution was, and should have some notion of the place in economic theory of the Mercantilists, the Physiocrats, Adam Smith, Ricardo, Senior, Malthus,

John Stuart Mill, Cairnes, Jevons, Marshall, the Austrian School, and half a dozen contemporary American economists.

It may not be quite so important that the student get used to wide and rapid reading on economic and industrial subjects as that he should learn to think closely and accurately on the theoretical matters put before him by text and lectures, but I think such wide reading extremely valuable. He should have some bibliographical knowledge, especially of American governmental publications. He should know for instance what the Industrial Commission was, and that the 19th volume of its Report is a mine of information that every citizen ought to dip into; that the Reports and Bulletins of the United States Bureau of Labor are free to those who ask for them and worth reading; that the Statistical Abstract, the Reports of the Census, of the Bureau of Commerce and Navigation, of Immigration, or of the Interstate Commerce Commission, have other use than to gather dust in the stacks of the library.

I am well aware that I am suggesting more than any one course can handle fully and adequately, but as I said we have to pick and choose. I am well aware too that students who have had such a course as I suggest will not be able to reason with infallible accuracy upon all the possible hypothetical cases of theory that can be put before them; but I submit once more that inasmuch as the average student cannot and will not specialize in economics, it is far better that he be somewhat deficient in the refinements of economic logic than that he should remain a practical stranger to the important economic conditions, forces, and processes within the nexus of which he will later have to functionate. A knowledge of the facts coupled with a knowledge of their relation is the foundation of that potential economic efficiency which the college should aim to produce.

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